



## GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Health, Medical & Family Welfare – Rajiv Aarogyasri Scheme – Implementation of the Scheme on ‘Trust mode’ after expiry of the period of Insurance Policies as entered with the former Insurance Company - Ratification of the action of the Chief Executive Officer, Aarogyasri Health Care Trust and also accord of permission to continue to implement the Scheme on Trust mode until further orders – Orders – Issued.

---

### HEALTH, MEDICAL & FAMILY WELFARE (M2) DEPARTMENT

G.O.Ms.No. 94

Dated:23-05-2014.  
Read the following:

1. G.O.Ms.No.227 HM&FW (K2) Dept dated 09-06-2006.
2. G.O. Ms. No.224 HM&FW Dept dated 27-06-2008.
3. G.O.Ms.No.1012, Revenue (CMRF) dated 12-08-2008.
4. G.O.Ms.No.67, Revenue (CMRF) Dept., dated 22-01-2009.
5. G.O.Rt.No.1984 HM&FW (M2) Dept dated 26-11-2011.
6. From the CEO., AHCT., letter No.AST/1364/ F51/PII(4R) /2011-12 dt:29.02.2012.
7. Govt.Letter No.16940 / M2/2011-3 dated 26-03-2012.
8. From the CEO., AHCT., letter No.AST /1391 /Ph.I/2012-13 dated 19-05-2012.
9. From the CEO., AHCT., letter No.AST/ 1391 /PH.I-V/2012-13 dated 13-06-2012.
10. From the CEO., AHCT., letter No.AST /1408 /F3.Ph.IV&V(4R) Dated 04-07-2012.
11. Government letter No.16940 / M2/2011-3 HM&FW (M2) Dept., dated 13-11-2013.
12. From the CEO., AHCT., No.AST /1391 /Ph.I.V/2012-13 dated 13-12-2013.
13. From the CEO., AHCT., No.AST /F3 (Ph.I to V)/2-12-13 dated 04-01-2014.

\* \* \*

### ORDER:

In the G.O. first read above, orders were issued for implementation of Rajiv Aarogyasri Health Insurance Scheme and initially a pilot scheme was started in three districts of Anantapur, Srikakulam and Mahaboobnagar on 01-04-2007 and subsequently, the scheme, was extended to five districts of West Godavari, East Godavari, Chittoor, Nalgonda and Ranga Reddy and finally to the entire State of Andhra Pradesh on 17-7-2008. Aarogyasri Health Care Trust was set up in February 2007 to act as a state level nodal agency for the implementation of the Scheme, through a Private Insurance Company.

2. Encouraged by the response of the people to the ongoing scheme, Government, vide G.O. 2<sup>nd</sup> read above, have launched with effect from 17-7-2008, the Aarogyasri Scheme-II (AS-II) to include a large number of additional surgical and medical diseases to enable many more BPL people who are suffering from acute ailments to lead a healthy life, and this Scheme was ordered to be administered by the Trust, directly, by engaging required staff through Business Process Outsourcing (BPO) company. Both Aarogyasri –I and Aarogyasri-II provide financial protection to about 233 lakh families living below poverty line as enumerated and photographed in White Ration Card and available in Civil Supplies Department database up to Rs.2 lakhs in a year for the treatment of serious ailments requiring hospitalization and surgery. 938 procedures in 31 specialties and 125 follow-up therapies are covered under the scheme including and Cochlear Implant Surgery with Auditory-Verbal Therapy for Children below 6 years at a maximum cost of Rs.6.50 lakhs per family.

(P.T.O)

3. In the G.O. 3<sup>rd</sup> read above, Government have further extended the scheme to the persons suffering from serious ailments but are not having White Ration Card through a system of issuing referral letters from Chief Minister's Camp Office (CMCO). The scheme was also extended to working Journalists and their families vide G.O. 4<sup>th</sup> read above, and thus, the Aarogyasri Health Care Trust has been administering four schemes viz., Aaarogyasri-1 through Insurer, Aarogyasri-2, CMCO, and journalist schemes on its own. The policy periods of all the five phases of Aaarogyasri-1, which were being implemented through an Insurance Company, came to a closure by 16-07-2012, as indicated below:

Phase No & Renewal No.	District	Policy Period	Date of expiry of policy
Phase.I(4R)	Ananthapur, Mahaboobnagar, Srikakulam	05-04-2011 to 04-04-2012	04-04-2012
Phase.II(3R)	Ranga Reddy, Nalgonda, Chittoor, West Godavari, East Godavari	15-12-2011 to 31-03-2012	31-03-2012
Phase.III(3R)	Medak, Karimnagar, Prakasam, Kadapa, Nellore	15-4-2011 to 14-4-2012	14-04-2012
Phase.IV(3R)	Adilabad, Kurnool, Hyderabad, Visakhapatnam, Vizianagaram	17-7-2011 to 16-7-2012	16-07-2012
Phase.V(3R)	Nizamabad, Warangal, Khammam, Guntur, Krishna	17-7-2011 to 16-7-2012	16-07-2012

4. Consequent on expiry of the policy period for Phase-II (4<sup>th</sup> Renewal) with the Insurance Company, Government issued orders vide G.O. 5<sup>th</sup> read above, permitting the Trust to continue the implementation of the Rajiv Aarogyasri Scheme (Phase-II), on its own, for the 5 districts of Ranga Reddy, Nalgonda, Chittoor, West Godavari, and East Godavari, from 05-12-2011 to 31-03-2013, simultaneously, asking the Aarogyasri Health Care Trust to launch a competitive bidding process in a transparent and fair manner for selection of an insurer at the least cost to Government.

5. In his letter 6<sup>th</sup> read above, the Chief Executive Officer, Aarogyasri Health Care Trust has sent proposals seeking permission to administer the entire Rajiv Aarogyasri Scheme on Trust Mode as it would result in a minimum saving of Rs.168.3 crores on 2010-11 figures. However, as per the decision taken at the meeting convened by the then Special Chief Secretary, HM&FW on 18-05-2012, the Chief Executive Officer, AHCT., in his letters 7<sup>th</sup> to 10<sup>th</sup> read above, has submitted the bid documents together with proposals on the suggested changes to the tender clauses for engaging Insurance Companies together with modifications in the clauses of bidding documents, with a request to permit him to utilize the transaction advisory services of INCAP during the process of bidding and also to permit him to proceed further to call for tenders. In Government letter 11<sup>th</sup> read above, the Chief Executive Officer, AHCT was requested to furnish a detailed report on the advantages and disadvantages of continuing the scheme without Insurance Mode and accordingly, the Chief Executive Officer, AHCT., in his letter 12<sup>th</sup> read above, has explained the advantages and disadvantages of running

the Scheme on Insurance Mode and Trust Mode. In his letter 12<sup>th</sup> read above, the Chief Executive Officer, AHCT., while bringing to the notice of Government the fact that the Scheme in respect of Phases-I, II and III is being implemented by the Trust itself consequent on expiry of the Insurance Policy periods for those Phases, has informed that the policy periods for Phases-IV and V would also expire on 16-07-2012 and requested the Government to permit the Trust to continue implementation of the Scheme in respect of Phases.IV and V also beyond 16-07-2012, till a decision is taken by Government as to the method of implementation of the Scheme i.e. whether on Insurance Mode or on Trust Mode. Further, in his letter 13<sup>th</sup> read above, the CEO., AHCT has informed that the Trust itself is implementing the Rajiv Aarogyasri Scheme in all the 5 phases consequent on expiry of the insurance policy periods since no orders were received from Government on the mode of implementation of the Scheme and requested the Government to ratify his action in having continued implementation of Rajiv Aarogyasri Scheme, in respect of all the five Phases, with effect from 05-04-2012 (Phase-I), 01-04-2013 (Phase-II), 15-04-2012, (Phase-III),17-07-2012 (Phase-IV) and 17-07-2012 (Phase-V) on Trust Mode, pending receipt of orders of Government.

6. Government have examined the matter carefully in the light of the above facts and accordingly hereby ratify the action of the Chief Executive Officer, Aarogyasri Health Care Trust in having continued implementation of Rajiv Aarogyasri Scheme, in respect of all the five Phases, with effect from 05-04-2012 (Phase-I), 01-04-2013 (Phase-II), 15-04-2012, (Phase-III),17-07-2012 (Phase-IV) and 17-07-2012 (Phase-V) on Trust Mode, consequent on expiry of the periods of Insurance Policies as entered with the former Insurance Company, pending receipt of orders of Government.

7. Government also, hereby permit the Chief Executive Officer, Aarogyasri Health Care Trust to continue to run the Scheme, on Trust mode, until further orders.

8. This order issues with the concurrence of Finance Department vide Peshi No.1693/PFS/2014, dated.15.05.2014.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY SAWHNEY  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Chief Executive Officer, Aarogyasri Health Care Trust, Jubilee Hills, Hyderabad.

The Director of Medical Education, AP., Hyderabad.

The Commissioner, AP Vaidya Vidhana Parishad, Hyderabad.

The Director of Public Health, AP., Hyderabad.

The Commissioner of Family Welfare, AP., Hyderabad.

Copy to:

The Principal Accountant General (A&E), AP., Hyderabad.

The Director, Treasuries and Accounts, AP., Hyderabad.

The Finance (Expr.M&H.A1) Department.

SF / SC.

// FORWARDED :: BY ORDER //

SECTION OFFICER